

AMENDED IN SENATE JUNE 17, 1998
AMENDED IN ASSEMBLY APRIL 13, 1998

CALIFORNIA LEGISLATURE—1997–98 REGULAR SESSION

ASSEMBLY BILL

No. 2052

Introduced by Assembly Member Firestone

February 18, 1998

An act to amend Sections 8855 and 27000.9 of, and to add Section 8858 to, the Government Code, relating to the California Debt and Investment Advisory Commission.

LEGISLATIVE COUNSEL'S DIGEST

AB 2052, as amended, Firestone. California Debt and Investment Advisory Commission.

Existing law establishes a 9-member California Debt and Investment Advisory Commission and prescribes the duties of that commission, including requiring the commission to collect, maintain, and provide information on state and local debt authorization, sold and outstanding.

This bill would require the commission to collect, maintain, and provide comprehensive information on all state and all local debt authorization, sold and outstanding, and would require that this information be readily available upon request by any public official or any member of the public. This bill would require the commission to prepare an annual report compiling and detailing the total amount of *outstanding* state and local *public* debt ~~for which the people of this state are responsible and to submit this report to the~~

~~Legislature by June 1 of each year and examining recent trends in the composition of that debt.~~

This bill would require the issuer of any new debt issue of state or local government, not later than 45 days after the signing of the bond purchase contract or after the acceptance of a bid, to submit a report of final sale to the commission by mail, postage prepaid, or by any other method approved by the commission.

Existing law authorizes a county board of supervisors to enact an ordinance adopting continuing education requirements that must be satisfied biennially, applicable to persons appointed and serving on or after the year 2000, for the office of county treasurer, county tax collector, or county treasurer-tax collector.

This bill would provide that programs within the discipline of treasury management or public finance, offered by the California Debt and Investment Advisory Commission would count towards the units needed to satisfy the continuing education requirement.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 8855 of the Government Code is
- 2 amended to read:
- 3 8855. (a) There is created the California Debt and
- 4 Investment Advisory Commission, consisting of nine
- 5 members, selected as follows:
- 6 (1) The Treasurer, or his or her designee.
- 7 (2) The Governor or the Director of Finance.
- 8 (3) The Controller, or his or her designee.
- 9 (4) Two local government finance officers appointed
- 10 by the Treasurer, one each from among persons
- 11 employed by a county and by a city or a city and county
- 12 of this state, experienced in the issuance and sale of
- 13 municipal bonds and nominated by associations affiliated
- 14 with these agencies.
- 15 (5) Two Members of the Assembly appointed by the
- 16 Speaker of the Assembly.



1 (6) Two Members of the Senate appointed by the
2 Senate Committee on Rules.

3 (b) (1) The term of office of an appointed member is
4 four years, but appointed members serve at the pleasure
5 of the appointing power. In case of a vacancy for any
6 cause, the appointing power shall make an appointment
7 to become effective immediately for the unexpired term.

8 (2) Any legislators appointed to the commission shall
9 meet with and participate in the activities of the
10 commission to the extent that the participation is not
11 incompatible with their respective positions as Members
12 of the Legislature. For purposes of this chapter, the
13 Members of the Legislature shall constitute a joint
14 interim legislative committee on the subject of this
15 chapter.

16 (c) The Treasurer shall serve as chairperson of the
17 commission and shall preside at meetings of the
18 commission. The commission, on or after January 1, 1982,
19 and annually thereafter, shall elect from its members a
20 vice chairperson and a secretary who shall hold office
21 until the next ensuing December 31 and shall continue to
22 serve until their respective successors are elected.

23 (d) Appointed members of the commission shall not
24 receive a salary, but shall be entitled to a per diem
25 allowance of fifty dollars (\$50) for each day's attendance
26 at a meeting of the commission not to exceed three
27 hundred dollars (\$300) in any month, and
28 reimbursement for expenses incurred in the
29 performance of their duties under this chapter, including
30 travel and other necessary expenses.

31 (e) The commission shall do all of the following:

32 (1) Assist all state financing authorities and
33 commissions in carrying out their responsibilities as
34 prescribed by law, including assistance with respect to
35 federal legislation pending in Congress.

36 (2) Upon request of any state or local government
37 units, to assist them in the planning, preparation,
38 marketing, and sale of new debt issues to reduce cost and
39 to assist in protecting the issuer's credit.

1 (3) Collect, maintain, and provide comprehensive
2 information on all state and all local debt authorization,
3 sold and outstanding, and serve as a statistical center for
4 all state and local debt issues. This information shall be
5 readily available upon request by any public official or
6 any member of the public.

7 (4) Maintain contact with state and municipal bond
8 issuers, underwriters, credit rating agencies, investors,
9 and others to improve the market for state and local
10 government debt issues.

11 (5) Undertake or commission studies on methods to
12 reduce the costs and improve credit ratings of state and
13 local issues.

14 (6) Recommend changes in state laws and local
15 practices to improve the sale and servicing of state and
16 local debts.

17 (7) Establish a continuing education program for local
18 officials having direct or supervisory responsibility over
19 municipal investments, and undertake other activities
20 conducive to the disclosure of investment practices and
21 strategies for oversight purposes.

22 (f) The commission may adopt bylaws for the
23 regulation of its affairs and the conduct of its business.

24 (g) The issuer of any proposed new debt issue of state
25 or local government shall, no later than 30 days prior to
26 the sale of any debt issue at public or private sale, give
27 written notice of the proposed sale to the commission, by
28 mail, postage prepaid. This subdivision shall also apply to
29 any nonprofit public benefit corporation incorporated for
30 the purpose of acquiring student loans.

31 (h) The notice shall include the proposed sale date, the
32 name of the issuer, the type of debt issue, and the
33 estimated principal amount thereof. Failure to give this
34 notice shall not affect the validity of the sale.

35 (i) The issuer of any new debt issue of state or local
36 government, not later than 45 days after the signing of the
37 bond purchase contract in a negotiated or private
38 financing, or after the acceptance of a bid in a
39 competitive offering, shall submit a report of final sale to
40 the commission by mail, postage prepaid, or by any other

1 method approved by the commission. A copy of the final
2 official statement for the issue shall accompany the report
3 of final sale. *The commission may require that this*
4 *information be submitted in the report of final sale, as it*
5 *considers appropriate.*

6 (j) The commission shall publish a monthly newsletter
7 describing and evaluating the operations of the
8 commission during the preceding month.

9 (k) The commission shall meet on the call of the
10 chairperson, or at the request of a majority of the
11 members, or at the request of the Governor. A majority
12 of all nonlegislative members of the commission
13 constitutes a quorum for the transaction of business.

14 (l) All administrative and clerical assistance required
15 by the commission shall be furnished by the office of the
16 Treasurer.

17 SEC. 2. Section 8858 is added to the Government
18 Code, to read:

19 ~~8858. Notwithstanding Section 7550.5, the~~
20 ~~commission shall prepare an annual report compiling and~~
21 ~~detailing the total amount of state and local debt for~~
22 ~~which the people of this state are responsible and shall~~
23 ~~submit that report to the Legislature on or before June 1~~
24 ~~of each year. The report shall include the amount of all~~
25 ~~loans and bonded indebtedness by governmental entities,~~
26 ~~including, but not limited to, school districts, cities,~~
27 ~~counties, cities and counties, water agencies,~~
28 ~~redevelopment agencies, and colleges and universities.~~

29 8858. Notwithstanding Section 7550.5, the
30 commission shall prepare an annual report compiling and
31 detailing the total amount of outstanding state and local
32 public debt and examining recent trends in the
33 composition of that outstanding debt. The report shall
34 reflect all bonded indebtedness issued by governmental
35 entities, including, but not limited to, the state and state
36 authorities, school districts, cities, counties, city and
37 counties, special districts, joint powers agencies,
38 redevelopment agencies, and community college
39 districts. The commission shall obtain the information for
40 this report from existing sources, including the

1 *Controller, the State Department of Education, and the*
2 *Chancellor's Office of the California Community*
3 *Colleges, and these agencies shall assist the commission in*
4 *carrying out this section.*

5 SEC. 3. Section 27000.9 of the Government Code is
6 amended to read:

7 27000.9. Notwithstanding any other requirement of
8 law, any duly appointed county officer serving in the
9 capacity of county treasurer, county tax collector, or
10 county treasurer-tax collector shall, beginning in 2000,
11 complete a valid continuing course of study as prescribed
12 in this section, and shall, on or before June 30 of each
13 two-year period, render to the State Controller, a
14 certification indicating that the county officer has
15 successfully completed a continuing education program
16 consisting of, at a minimum, 24 hours or an equivalent
17 amount of continuing education units within the
18 discipline of treasury management or public finance, or
19 both offered by a recognized state or national association,
20 institute, or accredited college or university, or the
21 California Debt and Investment Advisory Commission,
22 that provides the requisite educational programs
23 prescribed in this section. The willful or negligent failure
24 of any county officer serving in the capacity of county
25 treasurer, county tax collector, or county treasurer-tax
26 collector to comply with the requirements of this section
27 shall be deemed a violation of this section.

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